

REMARKS

Applicant thanks the Examiner for his accessibility, diligence, and thorough review in this case, and respectfully requests further consideration in accordance with the following:

I. Brief Summary of the Invention

As previously described, the present invention presents a network system including a single multi-modular computer program code, and graphical user interface that enables a user at a first location (e.g. a home computer station connected to the Internet) **(1)** to negotiate the sale of an item (e.g. a used cellular phone) with a purchaser (e.g. a cellular phone warranty servicer) spaced from the first location, **(2)** to obtain a computer readable encrypted medium (e.g. a FedEx label having bar codes) within a period (e.g. 2 minutes) at the first location, and **(3)** after affixing the medium to the item and entering the item in transit by an independent third-party carrier service, to track the item and confirm delivery by the third party at the first location. Consummation of the sale by the user is therefore facilitated, in that the user need only place the medium or label on the item (or a package housing the item) to prepare it for delivery. Further, the system periodically communicates with the third party delivery service (e.g. a FedEx database), and makes the carrier's tracking information available to the user within the interface and at the first location, thereby increasing user-confidence that the item will not be stolen or converted by the purchaser. User confidence is increased, because the purchaser does not control the independent third-party and therefore has no control over the tracking data. Finally, the input of tracking data is performed autonomously by scanning computer-readable codes, which reduces the likelihood of

human error, and further increases user confidence. Additional modules, including an agency module configured to allow a remote agent to receive and input the user data at a third computer station and location, are also disclosed.

II. Status of Claims

Indicative of entry of the Proposed Amendment After Final Office Action submitted prior to the RCE (said RCE being submitted on December 22, 2005), Office Action II provides that Claims 1, and 3 through 15 are currently pending, and currently being prosecuted on the merits.

It was not clear whether the aforementioned proposed amendment was entered by the Examiner, when the RCE was submitted, and as such the RCE listed and requested continued examination of original claims 1, and 3 through 35 (canceling claim 2, and renumbering the remaining claims). Further, Office Action I stated that Claims 1 through 35 were pending. By submitting this response, Applicant respectfully reserves the right to challenge the propriety of entry of the proposed amendment, or to present the canceled claims in a divisional application.

III. Response to Office Action I

In Office Action I, claims 1 through 35 were rejected pursuant to 35 USC § 103(a), as being unpatentable over United States Patent No. 6,839,690 to Foth *et al.* ("Foth") in view of United States Patent No. 5,931,916 to Barker *et al.* ("Barker"). Section 103(a) in its entirety provides as follows:

A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary

skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

Id. (emphasis added).

Contrary to the Examiner's assertions, however, neither Foth nor Barker nor the combination thereof teaches or suggests all of the limitations of the invention claimed in claim 1. More particularly, a singular one-stop user interface for negotiating a sale between spaced apart first and second parties, generating and delivering to the first party a medium trackable by an independent third party, and enabling the first party to track the delivery of the item to the second party, as is required for obviousness, is not taught or suggested in the references of record, and therefore the Examiner's rejection of claim 1 should be overruled.

1. State of the law with respect to 35 U.S.C. §103(a).

Obviousness, it will be appreciated, can be a problematic basis for rejection because the Examiner, in deciding that a feature is obvious, has benefit of the Applicant's disclosure as a blueprint and guide, whereas one with ordinary skill in the art would have no such guide, in which light even an exceedingly complex solution may seem easy or obvious. Furthermore, once an obviousness rejection has been made, the Applicant is in the exceedingly difficult position of having to prove a negative proposition (i.e., non-obviousness) in order to overcome the rejection. For these reasons, if the Examiner fails to establish the requisite *prima facie* case, the rejection is improper and will be overturned. *In re Rijckaert*, 28 USPQ2d 1955, 1956 (Fed. Cir. 1993). Only if the Examiner's burden is met does the burden shift to the applicant to provide evidence to refute the rejection.

The Examiner must satisfy three criteria in order to establish the requisite *prima facie* case of obviousness: (1) there must be some suggestion or motivation, either in the references themselves or in the knowledge generally available to one of ordinary skill in the art, to modify the reference or combine their teachings; (2) there must be a reasonable expectation of success; and (3) the prior art reference (or combination of references) must teach or suggest all the claim limitations. MPEP §706.02(j), citing *In re Vaeck*, 20 USPQ2d 1438 (Fed. Cir. 1991). Furthermore, "[t]he mere fact that the prior art may be modified in the manner suggested by the Examiner does not make the modification obvious unless the prior art suggested the desirability of the modification." *In re Fritch*, 23 USPQ2d 1780, 1783-84 (Fed. Cir. 1992); see also *In re Gordon*, 221 USPQ2d 1125, 1127 (Fed. Cir. 1984). Additionally, "if the proposed modification would render the prior art invention being modified unsatisfactory for its intended purpose, then there is no suggestion or motivation to make the proposed modification." MPEP §2143.01.

In meeting this initial burden, the Examiner "cannot use hindsight reconstruction to pick and choose among isolated disclosures in the prior art to deprecate the claimed invention" *In re Fine*, 5 USPQ 2d 1596,1600 (Fed. Cir. 1988). The teaching or suggestion to make the claimed combination and the reasonable expectation of success must both be found in the prior art and not based on the Applicant's disclosure. *In re Vaeck*, 20 USPQ 2d 1438, 1442 (Fed. Cir. 1991). Thus, "[m]easuring a claimed invention against the standard established by section 103 requires the oft-difficult but critical step of casting the mind back to the time of invention, to consider the thinking of one of ordinary skill in the art, guided only by the prior art references and the then-

accepted wisdom in the field. See e.g., *W. L. Gore & Assoc., Inc. v. Garlock, Inc.*, 220 USPQ 303, 313 (Fed. Cir. 1983).

2. Analysis of Application of References

In Foth, an internet based third party risk assessment system is disclosed wherein a registered buyer and seller provide trading information to the third party, and the third party requires either an escrow from the buyer or a bond from the seller depending upon their respective calculated score. The buyer and seller then deliver the escrow or bond to the third party, if required by their score, and then finalize the transaction. Neither party is given notice of the other party's identity and score, but both have increased confidence in the sale and assurance of protection, due to the third party service.

As previously described, Barker discloses a method of communicating across the Internet or a multi-network system. It presents a novel RDP driver module that alters conventional UDP to detect an absent internet address during transmission. Where a destination node is absent, the RDP autonomously selects another node from a pre-determined list of addresses. The system is completely autonomous and discloses an electronic communication protocol modifier. A maximum period of generation of the idle node address notification is not discussed because it is produced almost instantaneously. Thus, the RDP includes an electronic return receipt protocol conventionally available with many internet mailing applications.

Among other things, the present invention is distinguishable from these references at the generation module, wherein a physical medium, such as an encoded label, is provided to the user within a period (e.g. 2 minutes). The medium is "affixable

to the item." While the inventive system also utilizes a computer-based network to generate and deliver the medium to the user, the intent and operation of the inventive system is to provide consumer confidence when returning or mailing a tangible item in commerce. The Examiner cites Figure 2A, and column 3, lines 35-47 of Foth, as disclosing the equivalent of the generator module limitation of the present invention. However, this excerpt and drawing figure describes an algorithm section wherein calculated scores are made available to the user and purchaser, through an escrow server and client, so as to be used during their subsequent sales negotiation.

Finally, the Examiner re-iterates his previous assertion that Barker's delivery within a period of a "datagram" to the user to confirm delivery is tantamount to the inventive generation module's delivery of a readable medium affixable to the item. However, the present invention provides the readable medium (e.g. label) within the period to eliminate "dropped" sales between the user's computer station and their local kiosk or post-office, while Barker provides its datagram to confirm delivery within a period. A better, but still distinguishable, comparison would be between Barker's instantaneous delivery of a datagram to confirm delivery, and the present invention's instantaneous entry of a delivery indicator in the database by the receiver module. Second, as an electronic transmission that is not affixed to an item, the datagram is functionally, structurally, and otherwise distinguishable from the medium of the present invention.

Neither Foth nor Barker discloses a "medium . . . affixable to the item or a mailing package housing the item, and including computer-readable codes matched to the input, a receiver input module accessible at the second computer station location and

configured to communicate with a scanner operable to autonomously read the codes, and the database, and said receiver input module being further configured to produce a delivery indicator, wherein the indicator is perceivable by the user at the first station. Even if all of the inventive limitations were taught or suggested by the references, a motivation to combine in the manner suggested by the Examiner is not provided.

Thus, the Examiner has failed to establish the requisite *prima facie* case of obviousness by failing to show that the combination of Foth and Barker teaches or suggests all of the limitations of claim 1, and therefore the combination of Foth and Barker does not make the claimed invention unpatentable under 35 U.S.C. §103(a).

IV. Response to Office Action II

In Office Action II, claims 1, and 3 through 15 were rejected pursuant to 35 USC § 103(a), as being unpatentable over United States Patent No. 6,141,653 to Conklin ("Conklin") and United States Patent Application Publication No. 2002/0161707 to Cole *et al.* ("Cole") in view of Barker. With respect to Conklin, Applicant resubmits the differences and arguments provided in its Response and Amendment submitted on or about March 10, 2005. Conklin discloses "the creation of one or more sponsored communities of any number of types for conducting iterative negotiations over a network" (col. 18; lines 38-40). In an in-depth disclosure, the invention focuses on many aspects of a three-party, i.e. sponsor, buyer and seller, sales network, but fails to disclose or teach a user-controlled system for negotiating the sale and tracking the delivery of an item across the network. Among other things, Conklin does not disclose the provision of a computer readable medium for affixing to an item, and the tracking of that item by the user.

Like Foth, Cole presents a third-party internet based escrow service that facilitates web-based transactions between two unfamiliar parties doing business by exchanging money for goods and/or services in business-to-business marketplaces (page 1, ¶ [0004]). The system includes an internal banking engine that acts as a deal manager, messaging service, and accounts sub-ledger and escrows the funds entrusted to it (page 1, ¶ [0013]). A banking module is included to obtain and incorporate current currency exchange rates for multi-currency exchanges (page 1, ¶ [0016]).

The system disclosed in Cole is further configured to enable the buyer and seller to track deals through delivery, and autonomously communicates with a third-party carrier such as "FedEx" (page 26, ¶ [0202]). However, Cole fails to disclose the generation and provision of the trackable or readable medium (e.g. FedEx label) to the user at the sales negotiation portal or location within a period. Instead, it provides that "[o]nce the seller enters an input that the item was shipped by FedEx with the tracking number, which FedEx provides the shipper," the system's automatic tracking updates begin (*Id.* emphasis added). Thus, as in conventional systems, the user in Cole must travel to a kiosk or post-office, or otherwise obtain the readable medium. By not providing a generation module and readable medium affixable to the item, the tracking aspect in Cole is subject to the same concerns relating to dropped sales caused by users who simply forget or become disinterested in finalizing the deal. In the typical scenario of the present invention, wherein a non-merchant user/seller returns or delivers a single used cell-phone to the buyer prior to receiving a minimal payment, the probability of the user becoming disinterested, forgetting, and/or assessing the costs in

going to the post office and entering the item in transit with a third party carrier as exceeding the potential gain, becomes significantly greater. As such, the tracking system disclosed in Cole is insufficient to achieve the benefits provided by the generation and tracking of a readable medium combination of the present invention.

Cole describes the tracking aspect as “[a] key feature of [its] method and system” (page 26, ¶ [0202]). Similarly, the generation and tracking module of the present invention is a key feature of Applicant’s business method and system, and as previously conveyed has resulted in significant increases in consummated sales transactions.

Finally, as previously mentioned, the datagram function in Barker does not suggest, disclose, and/or teach the generation of a readable medium within a period, wherein said medium is affixable to the item, and read at the second station by a scanner. The totality of the present inventive system facilitates a non-merchant seller’s alleviation of his or her concerns with respect to cost/gain analysis, wherein a single item is sold, and a minimal payment is to be paid-on-delivery, and enables the buyer to consummate a greater percentage of sales.

Thus, Applicant respectfully submits that Conklin, Cole, and Barker do not teach or suggest all of the limitations of the present invention either in singular or in combination, and therefore, do not make the claimed invention unpatentable under 35 U.S.C. §103(a). With respect to claims 3 through 15, these claims depend from amended claim 1 and therefore include the limitations of amended claim 1 and are therefore allowable for the same reasons as amended claim 1. In furtherance of patentability, the amended claims have been further amended herein, to further distinguish the present invention from the prior art references of record.

CONCLUSION

Accordingly, and in response to Office Actions I and II, Applicant respectfully asserts that all claims currently pending in the application are in condition for allowance, and respectfully requests a corresponding Notice of Allowance for the currently pending claims.

Should the Examiner have any questions, please do not hesitate to contact the undersigned at (816) 204-6430, or at wjj@jacobluc.com.

Respectfully Submitted,

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